

RFP # 400-03-402

Questions and Answers

- 1. Does the Arbitrage Rebate Compliance Services Provider need to include Certified Public Accountants on their staff?**

The contractor should have specialists on their staff with experience analyzing and completing necessary IRS reporting requirements for rebate arbitrage work on public revenue bonds. The specialists need not include a Certified Public Accountant.

- 2. Are the bonds proceeds held by a Trustee or managed by the authority?**

The bond proceeds are held in the name of the California Power Authority. The California State Treasurer is the Trustee. The Energy Commission manages the funds and directs the CPA to transfer funds as required between accounts and sub-accounts. All bond accounts are invested and accrue interest at the State Pooled Money Investment Account rate (variable).

- 3. Are the bonds held in one account or individual accounts?**

All bond proceeds are held in a single program loan account. Each loan is awarded from that account and has its own amortization schedule. Because of the program design which requires that any release of funds to borrowers be made on a reimbursement basis, loan payments are fully expended prior to their release and are not subject to arbitrage analysis.

- 4. Could you please outline the actions that the firm must take in order to fulfill the requirements of the Statement of Compliance on page 7 of the RFP?**

Please refer to Government Code section 12990 (a-f) at www.leginfo.ca.gov/calaw which outlines the requirements and Title 2, section 8103 of the California Code of Regulations at www.calregs.com. Also review Attachment 3 of the RFP, the first Clause listed is the Statement of Compliance.